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ROBINSON, MCFADDEN & MOORE, P.C.

COLUMBIA | GREENVILLE

March 24, 2005

**HAND DELIVERED**

Mr. Charles Terreni  
Chief Clerk of the Commission  
Public Service Commission of South Carolina  
Synergy Business Park, Saluda Building  
101 Executive Center Drive  
Columbia, SC 29210

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**Re: Time Warner Cable Information Services (SC), LLC  
Docket No. 2004-280-C (Incumbent Carriers)  
Our File No. 03027-0065**

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205 MAR 24 PM 3:58  
SC PUBLIC SERVICE  
COMMISSION

Dear Mr. Terreni:

Enclosed for filing please find the Rebuttal Testimony of Julie Patterson on behalf of Time Warner Cable in the above referenced docket. By copy of this letter we are serving the same on all parties of record. Please date-stamp the extra copies of the testimony as proof of filing and return them with our courier.

If you have any questions, please have someone on your staff contact me.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.

Bonnie D. Shealy

/bds  
Enclosure  
cc/enc:

Julie Y. Patterson, Esquire (via email & U.S. Mail)  
Ms. Charlene Keys (via email & U.S. Mail)  
Florence P. Belser, Esquire (via hand delivery)  
Benjamin P. Mustian, Esquire (via hand delivery)  
Dan F. Arnett, Chief of Staff (via hand delivery)  
M. John Bowen, Jr., Esquire (via hand delivery)  
Margaret M. Fox, Esquire (via hand delivery)  
Ms. Daphne Werts (via email)

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**BEFORE THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**Docket No. 2004-280-C**

IN RE: Application of Time Warner Cable Information )  
Services (South Carolina), LLC, d/b/a Time )  
Warner Cable, to Amend its Certificate of Public )  
Convenience and Necessity to Provide )  
Interexchange and Local Voice Services in )  
Service Areas of Certain Incumbent Carriers who )  
Currently Have a Rural Exemption )

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**REBUTTAL TESTIMONY OF**

**JULIE Y. PATTERSON**

RECEIVED  
DATE: OK D. Duke  
BY: OK D. Duke

1 Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS FOR THE  
2 RECORD.

3 A. My name is Julie Y. Patterson and I am Vice President and Chief Counsel, Telephony for  
4 Time Warner Cable. My business address is 290 Harbor Drive, Stamford, Connecticut  
5 06902. My telephone number is (203) 328-0671 and my email address is  
6 julie.patterson@twcable.com.

7 Q. ARE YOU THE SAME PERSON WHO PREVIOUSLY FILED TESTIMONY IN THIS  
8 PROCEEDING?

9 A. Yes.

10 Q. HAVE YOU REVIEWED THE TESTIMONY OF EMMANUEL STAURULAKIS AND  
11 KEITH OLIVER FILED ON BEHALF OF THE SOUTH CAROLINA TELEPHONE  
12 COALITION (“COALITION TESTIMONY”)?

13 A. Yes. I have.

14 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

15 A. Specifically, my rebuttal testimony comments upon issues raised in the Coalition Testimony.

16 Q. WOULD YOU PLEASE EXPLAIN?

17 A. Time Warner Cable Information Services (South Carolina), LLC (“TWCIS”) would like to  
18 respond to the testimony raised in the Coalition Testimony and to clarify its position in the  
19 following areas: (1) *Vonage* preemption, (2) impact on availability of affordable local  
20 exchange service, (3) support for universally available telephone service at affordable rates,  
21 and (4) impact on the public interest.

22 Q. DOES THE VONAGE DECISION PREEMPT THE COMMISSION’S AUTHORITY?

23 A. The FCC has indicated that to the extent cable companies provide VoIP services, state  
24 regulation is preempted. The FCC’s Order in the *Vonage* case made it clear that if a cable

1 operator providing VoIP-based services satisfied three specific criteria, then it would be  
2 subject to preemption of state certification and tariffing requirements to the same extent as  
3 the services at issue in the specific petition filed by Vonage. As an affiliate of a cable  
4 operator, utilizing the facilities and plant of that cable operator, TWCIS satisfies the FCC's  
5 criteria and, therefore, is subject to preemption ordered in the *Vonage* case.

6 Q. WILL GRANTING THIS APPLICATION ADVERSELY IMPACT THE AVAILABILITY  
7 OF AFFORDABLE LOCAL EXCHANGE SERVICE?

8 A. Mr. Oliver incorrectly indicates that granting our request will have an adverse impact in the  
9 areas served by rural companies by stating that TWCIS would not contribute to state and  
10 federal universal service funds because non-regulated revenues would not be assessed such  
11 contributions. As I indicated in my direct testimony, because the FCC's order in the *Vonage*  
12 case did not address payment into state or federal regulatory funds generally or Universal  
13 Service specifically, TWCIS *and* the newly created entity will comply with all applicable  
14 rules respecting the collection and payment of state and federal universal service fund  
15 charges. For that matter, TWCIS and its unregulated affiliate, which will be the retail  
16 provider of Digital Phone VoIP-based services, will both make payments into all regulatory  
17 funds applicable to traditional telephony and will both satisfy the same taxing obligations  
18 applicable to traditional providers of telephone services. If there are changes in the future in  
19 regard to whether TWCIS and the newly created entity are required to comply with the  
20 collection of state and/or federal universal service fund charges, TWCIS will comply with the  
21 new requirements and applicable law.

22 Q. EXPLAIN HOW GRANTING THIS APPLICATION WOULD ENHANCE THE  
23 AVAILABILITY OF AFFORDABLE LOCAL EXCHANGE SERVICE.

24 A. Granting TWCIS' Application will greatly enhance the availability of affordable local  
25 exchange service in the State of South Carolina through the introduction of increased  
26 competition and alternative service offerings using a new technology. The Coalition

1       Testimony is incorrect in alleging that granting this Application will adversely affect the  
2       availability of affordable local exchange service. As stated in my direct testimony, TWCIS  
3       will participate and comply with all existing intercarrier compensation regimes and will  
4       contribute to state and federal universal service programs. Indeed, TWCIS is doing so in  
5       South Carolina, as well as at the federal level, today.

6    Q.    DOES TWCIS SERVICE MEET THE PUBLIC INTEREST STANDARD?

7    A.    Yes. Granting a certificate to TWCIS will promote the public interest by increasing the level  
8       of competition in the South Carolina telecommunications market using a new technology. As  
9       the proposed service relies on existing cable television facilities to reach customer premises,  
10       the service represents one of the best hopes for viable competition in the residential  
11       telephone market. Granting TWCIS's Application will serve the public interest by allowing  
12       South Carolina residential consumers to have access, in many cases for the first time, to a  
13       facilities-based competitive local telephone service. In addition, voice over IP technology can  
14       link phone calls with other data which makes several new services possible. The technology  
15       offers new flexibility to consumers who may be able to program their phones to redirect calls  
16       to other numbers, take messages, and send email responses to a voice call.

17   Q.    DOES THIS CONCLUDE YOUR TESTIMONY?

18   A.    Yes, it does.

BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2004-280-C (Incumbent Carriers)

In Re:

)  
)  
Application of Time Warner Cable )  
Information Services (SC), d/b/a )  
Time Warner Cable to Amend it )  
Certificate of Public Convenience & )  
Necessity to Provide Interexchange )  
and Local Voice Services in )  
Service Areas of Certain Incumbent )  
Carriers Who Currently Have a )  
Rural Exemption

**CERTIFICATE OF SERVICE**

SC PUBLIC SERVICE  
COMMISSION

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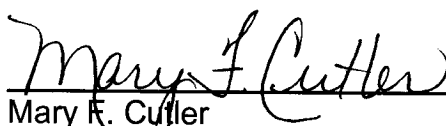
RECEIVED

This is to certify that I, Mary F. Cutler, a legal assistant with the law firm of Robinson, McFadden & Moore, P.C., have this day caused to be served upon the persons named below the **Rebuttal Testimony of Julie Patterson** in the foregoing matter by hand delivering a copy of same, in an envelope addressed as follows:

Dan Arnett, Chief of Staff  
Florence P. Belser, General Counsel  
Benjamin P. Mustian, Esquire  
Office of Regulatory Staff  
Post Office Box 11263  
Columbia, SC 29211

M. John Bowen, Jr., Esquire  
Margaret M. Fox, Esquire  
McNair Law Firm, P.A.  
P.O. Box 11390  
Columbia, SC 29211

Dated at Columbia, South Carolina this 24<sup>th</sup> day of March 2005.

  
\_\_\_\_\_  
Mary F. Cutler